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Global Day of Action on Military Spending:

The Case of the Republic of Cyprus

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1. Military Expenditure

A. Definitions, Methods and Sources

According to the *Stockholm International Peace Research Institute* (*SIPRI*), the definition of military expenditure aims to include all spending on current military forces and activities. Specifically, the SIPRI definition of military expenditure includes current and capital spending on:

- The armed forces, including peace keeping forces;
- Defence ministries and other government agencies engaged in defence projects;
- Paramilitary forces when judged to be trained, equipped and available for military operations; and
- Military space activities.

Such expenditures can include:

- Personnel:
  - All expenditures on current personnel, both military and civil,
  - Retirement pensions of military personnel; and
  - Social services for personnel and their families;
- Operations and maintenance;
- Procurement;
- Military research and development;
- Military construction; and
- Military aid (in the military expenditures of the donor country).

The following military-related expenditures are excluded:

- Civil defence;
- Current expenditure for previous military activities such as:
  - Veterans' benefits;
  - Demobilization;
  - Conversion of arms production facilities; and
  - Destruction of weapons.

Military expenditure is not the same as spending on arms. Military expenditure means spending on the military in general, including spending on personnel (i.e. the salaries and benefits of troops and civilian staff), operations and maintenance (i.e. spending on general supplies, services and transport), equipment (e.g. arms, other military equipment and non-military equipment), construction (e.g. of military bases) and research and development. In general, spending on weapons, weapon systems and platforms, and other specifically military equipment (including the research and development for such equipment) amounts to no more than a third of military spending, and much less in non-arms producing countries.

Military spending refers to all expenditure on countries' military forces. The largest part of this is usually the salaries and benefits of soldiers and civilian staff. The actual spending on arms makes up a small part of the total. It is thus a financial measure, measuring inputs, and does not necessarily measure military capability.

The sources for military expenditure data are, in order of priority:

- Primary sources, that is, official data provided by national governments, either in their official publications or in response to questionnaires;
- Secondary sources which quote primary data; and
- Other secondary sources.

The first category consists of national budget documents, defence white papers and public finance statistics, as well as responses to a SIPRI questionnaire that is sent out annually to the finance and defence ministries, central banks and national statistical offices of the countries in the SIPRI *Military Expenditure Database* (*MED*). It also includes government responses to questionnaires about military expenditure sent out by the *United Nations* (*UN*) and, if made available by the countries themselves, the *Organization for Security and Co-operation in Europe* (*OSCE*).

The second category includes international statistics, such as those of the *North Atlantic Treaty Organization* (*NATO*) and the *International Monetary Fund* (*IMF*). Other commonly used secondary sources are data from the *United Nations Statistical Yearbook* (*UNSY*), the Europa Yearbook and Country Reports of the Economist Intelligence Unit. The third category of sources consists of specialist journals and newspapers [1].

B. Military Expenditure in the Republic of Cyprus

In the course of 26 years, between 1988 to 2013, the Republic of Cyprus spent more than €8 billion Euros on military expenditure (without including the military pensions), which are allocated as following: [2]

Military Expenditure of the Republic of Cyprus, 1988 – 2013 *				
Year	**In million Euros (€) ****	**As percentage (%) of Gross Domestic Product (GDP)**	**In comparison with the previous year**	
			Million (€)	**Percentage (%)**
1988	194	5.7	-	-
1989	207	5.4	+13	+6.70
1990	322	7.4	+115	+55.55
1991	332	7.3	+10	+3.10
1992	484	9.1	+152	+45.78
1993	228	4.1	-256	-52.89
1994	251	4	+23	+10.08
1995	231	3.2	-20	-7.96
1996	357	4.8	+126	+54.54
1997	469	6	+112	+31.37
1998	428	5.1	-41	-8.74
1999	269	3	-159	-37.14
2000	299	3	+30	+11.15
2001	360	3.4	+61	+20.40
2002	253	2.3	-107	-29.72
2003	255	2.2	+2	+0.79
2004	271	2.1	+16	+6.27
2005	302	2.2	+31	+11.43
2006	304	2.1	+2	+0.66
2007	295	1.9	-9	-2.96
2008	310	1.8	+15	+5.08
2009	339	2	+29	+9.35
2010	361	2.1	+22	+6.48
2011	345	1.9	-16	-4.43
2012	323	1.8	-22	-6.37
2013	343	2.1	+20	+6.19
Total	8,132	-	-	-

* Figures do not include retirement pensions of military personnel.

** The Republic of Cyprus changed its currency during this period, as after its accession in the *European Union* (*EU*) the Euro (€) replaced the Cypriot pound (£). All current price local currency figures for the period 1988-2003 have been converted from Cypriot pounds (£) to Euros (€).

If we take into consideration that the military expenditure of the Republic of Cyprus in 2013 was €343 million Euros, then the daily cost of military expenditure amounts to €939,726! Moreover, if we divide €343 million Euros with the total population of the Republic of Cyprus in 2013 (858,000) [3], then this implies that the annual amount of military expenditure per capita is €400 Euros. If we exclude the underage persons of the total population in

2013 (192,000) and count only the adult persons of the total population (666,000) [4], then the annual amount of military expenditure per capita is €515 Euros!

In October 2011, the Cypriot banks faced a severe liquidity problem and entered the *Emergency Liquidity Assistance* (*ELA*) mechanism of the *European Central Bank* (*ECB*). In June 2012, the Republic of Cyprus requested from the *European Commission* (*EC*), the ECB and the IMF to enter an *Economic Adjustment Programme* (*EAP*), which was agreed on April 2013. Despite the severe financial crisis, within these 3 years, from 2011 to 2013, the Republic of Cyprus spent €1,011 billion Euros on military expenditure.

If we take into consideration the fact that, at the end of 2014, the total debt of the Central Government of the Republic of Cyprus was €18,527 billion Euros [5], then the total amount of military expenditure from 1988 until 2013 (without including military pensions) is equal with almost the half (43.89%) of the public debt.

In terms of the peacebuilding process, it should be noted that even after the referenda for the island's reunification, which were held in Cyprus in April 2004, the military expenditure kept on increasing for a whole decade afterwards: during the presidency of Tassos Papadopoulos military expenditure were €255 and €271 million Euros in 2003 and 2004 respectively, whilst during the presidency of Demetris Christofias military expenditure reached €310 and €323 million Euros in 2008 and 2012 respectively, and in 2013, during the presidency of Nicos Anastasiades reached €343 million Euros.

Country	Military expenditure (€ million in 2011)	Per capita (€ in 2011)	% of GDP (in 2011)
EU	**192,535**	**387**	**1.55**
Austria	2,453	291	0.82
Belgium	3,986	363	1.08
Bulgaria	545	73	1.42
Croatia	610	146	1.41
Cyprus	**345**	**400**	**1.92**
Czech Republic	1,820	173	1.17
Denmark	3,020	535	1.16
Estonia	340	254	2.00
Finland	2,654	493	1.40
France	39,105	597	1.93
Germany	32,490	397	1.23
Greece	3,272	290	1.69
Hungary	1,000	100	1.00
Ireland	881	196	0.55
Italy	20,600	338	1.32
Latvia	210	102	1.04
Lithuania	462	83	1.11
Luxembourg	201	386	0.47
Malta	40	96	0.62
Netherlands	8,156	489	1.35
Poland	6,754	175	1.95
Portugal	2,669	251	1.56
Romania	1,713	80	1.26
Slovakia	763	140	1.10
Slovenia	478	233	1.32
Spain	10,059	218	0.95
Sweden	4,331	459	1.12
UK	43,696	691	2.30

Furthermore, the above table demonstrates that although the Republic of Cyprus was in the 24th place of the list of the EU-28 member states in terms of the total amount of military expenditure in 2011, at the same time it was in the 7th place in terms of military expenditure per capita and in the 5th place in terms of military expenditure as percentage of the GDP [6].

This ranking is expected to be even more pronounced in 2013, as the Republic of Cyprus had spent almost the same amount on military expenditure (€343 million Euros in 2013 in comparison with €345 million Euros in 2011), but increased the military expenditure as a percentage of the GDP (2.1% in 2013 in comparison with 1.9% in 2011) and consequently the military expenditure per capita.

2. Military Expenditure vs. Expenditure on Public Education and Health

The Cyprus Statistical Service (CYSTAT) provides data on expenditure on public education and health.

Year	Expenditure on public education in million Euros (€) **	Expenditure on public education as percentage (%) of the national Gross Domestic Product (GDP)	Expenditure on public health in million Euros (€) **	Expenditure on public health as percentage (%) of the national Gross Domestic Product (GDP)
2011	1420	7.9	608	3.1
2012	1287	7.3	578	2.9

While there was a slight decrease in military expenditure from €345 million Euros in 2011 to €323 million Euros in 2012 (from 1.9% to 1.8% of the GDP), there was a significant decrease in public expenditure on education from €1,420 billion Euros in 2011 to €1,287 billion Euros in 2012 (from 7.9% to 7.3% of the GDP) [7]. Public expenditure on health, also decreased from €608 million Euros in 2011 to €578 million Euros in 2012 (from 3.1% to 2.9% of the GDP) [8].

These comparative reductions of public spending on military on the one hand and health and education on the other are expected to be exacerbated in 2013, since military expenditure increased once again, from €323 million Euros to €343 million Euros (from 1.8% to 2.1% of the GDP), whilst public expenditure on education and health continued to decrease with the same rate.

These figures demonstrate that in 2012 the public expenditure on education and health were decreased by €133 and €30 million Euros respectively in comparison with 2011. At the same time, military expenditure in 2012 were €323 million Euros, an amount that is double the amount of public expenditure cut on both education and health (€163 million Euros).

3. Military Expenditure vs. Expenditure on Social and Environmental Protection

A. Social Protection Expenditure

CYSTAT also provides data on social protection expenditure of the public, semi-public and private sectors. Social protection expenditure include benefits for:

- Sickness / medical treatment,
- Disability,
- Elderly,
- Veterans,
- Family,
- Unemployment,
- Housing, and

- Social exclusion (benefits to specific vulnerable, marginalized and excluded social groups, such as alcoholics, drug addicts, refugees, etc.) [9].

The following table demonstrates the social protection expenditure of the Republic of Cyprus from 2009 until 2012, in million Euros, while it also compares social protection expenditure as percentage of the national GDP with the corresponding percentage of the EU GDP [10]. Moreover, the table compares the social protection expenditure with the military expenditure of the Republic of Cyprus and the EU for the same period [11].

Social Protection Expenditure of the Republic of Cyprus, 2009-2012			
Year	**In million Euros (€)**	**As percentage (%) of the national Gross Domestic Product (GDP)**	**Corresponding percentage (%) of the EU Gross Domestic Product (GDP)**
2009	3.527,3	21.1	29.6
2010	3.847,3	22.1	29.4
2011	4.069,6	22.8	29.0
2012	4.087,3	23.1	29.5
Military Expenditure of the Republic of Cyprus, 2009-2012			
Year	**In million Euros (€)**	**As percentage (%) of the national Gross Domestic Product (GDP)**	**Corresponding percentage (%) of the EU Gross Domestic Product (GDP)**
2009	339	2	1.8
2010	361	2.1	1.7
2011	345	1.9	1.6
2012	323	1.8	1.6

In terms of social protection expenditure, the percentage of the GDP of the Republic of Cyprus is between 6.4% and 8.5% lower in comparison with the corresponding percentage of the EU's GDP. At the same time, in terms of military expenditure, the percentage of the GDP of the Republic of Cyprus is between 0.2% and 0.4% higher in comparison with the corresponding percentage of the EU's GDP.

If we compare these figures with the unemployment benefits, as one of the eight categories of social protection expenditure, the comparatively high military expenditure of the Republic of Cyprus in comparison with social protection expenditure becomes clearer.

The category of unemployment expenditure includes the unemployment benefits that are granted by social insurance contributions, the benefits of employment programs, the allowances for staff redundancies, the programs for encouraging youth entrepreneurship and supporting female entrepreneurship, the extraordinary incentive schemes for the employment of unemployed persons and persons belonging to vulnerable social groups, as well as the plans for the integration of newly employed persons with flexible working terms [12].

The table below demonstrates that military expenditure in 2009 were double the unemployment expenditure and though this difference decreased in recent years, in 2012, 50 million Euros more were spend on military expenditure [13].

This is even after the Republic of Cyprus was severely impacted by the financial crisis: in October 2011, the Cypriot banks faced a severe liquid problem and entered the ELA mechanism of the ECB, while in June 2012, the Republic of Cyprus requested from the EC, the ECB and the IMF to enter an EAP.

Unemployment Expenditure of the Republic of Cyprus, 2009-2012			
Year	**In million Euros (€)**	**As percentage (%) of the national social protection expenditure**	**As percentage (%) of the national Gross Domestic Product (GDP)**
2009	169,3	4.79	1
2010	185,1	4.81	1.1
2011	216,1	5.31	1.2
2012	270,8	6.62	1.6

Military Expenditure of the Republic of Cyprus, 2009-2012		
Year	**In million Euros (€)**	**As percentage (%) of the national Gross Domestic Product (GDP)**
2009	339	2
2010	361	2.1
2011	345	1.9
2012	323	1.8

B. Environmental Protection Expenditure

CYSTAT also provides data on the total expenditure of environmental protection activities in the public sector. The environmental domains that are included in environmental protection expenditure are:

- Wastewater treatment;
- Protection of natural habitats and biodiversity;
- Monitoring, treatment and disposal of waste;
- Monitoring and abatement of air pollution;
- Protection of soil and ground water, and

- Abatement of noise and vibrations.

The following table presents the environmental protection expenditure of the Republic of Cyprus from 2010 until 2013, in million Euros, and compares environmental protection expenditure as percentage of the national GDP [14]. Moreover, the table compares the environmental protection expenditure with the military expenditure of the Republic of Cyprus and the EU for the same period [15].

Environmental Protection Expenditure of the Republic of Cyprus, 2010-2013			
Year	**In million Euros (€)**	**As percentage (%) of the national Gross Domestic Product (GDP)**	**Corresponding percentage (%) of the EU Gross Domestic Product (GDP)**
2010	94,2	0.54	0.7
2011	101,6	0.52	-
2012	89,3	0.46	0.67
2013	90,2	0.50	-
Military Expenditure of the Republic of Cyprus, 2010-2013			
Year	**In million Euros (€)**	**As percentage (%) of the national Gross Domestic Product (GDP)**	**Corresponding percentage (%) of the EU Gross Domestic Product (GDP)**
2010	361	2.1	1.7
2011	345	1.9	1.7
2012	323	1.8	1.6
2013	343	2.1	1.6

These data are demonstrating that:

- The military expenditure of the Republic of Cyprus are four times higher than the environmental protection expenditure in the public sector ·
- The military expenditure of the Republic of Cyprus are 25% higher than the corresponding EU average ·
- The environmental protection expenditure in the public sector of the Republic of Cyprus is 33% lower than the corresponding EU average.

4. Militarisation Ranking

A. Definitions, Methods and Sources

With its *Global Militarization Index* (*GMI*), *Bonn International Centre for Conversion* (*BICC*) is able to objectively depict the scale and rate of worldwide militarization. The GMI compares, for example, a country's military expenditure with its GDP and its health expenditure. It contrasts the total number of military and paramilitary forces in a country with the number of physicians. Finally, it studies the number of heavy weapons available to a country's armed forces. These and other indicators are used to determine a country's ranking, which in turn makes it possible to measure the respective level of militarization in comparison to other countries.

The GMI is divided into three overarching categories: expenditure, personnel and heavy weapons.

Military spending in relation to GDP and health spending are the most important indicators for determining the level of militarization. Financial resources which are made available via the military budget by a government are an important factor which affects capacities and size of a state's armed forces. The other indicator the GMI uses is the comparison between the total military budget and government spending on health services. Figures for military expenditure are compiled from the database of SIPRI. Data on gross domestic product was taken from the IMF. Data on health expenditure used have been extracted from the database of the *World Health Organization* (*WHO*).

Besides military expenditure, the level of militarization is also represented by the relation of military personnel to the total population and physicians. The first and most important indicator in this category is the active military (and paramilitary) personnel to the total population. Paramilitary personnel were included here, since in many countries the regular military alone does not adequately reflect the total size of the armed forces. The main criterion for coding an organizational entity as either military or paramilitary is that the forces in question are under the direct control of the government in addition to being armed, uniformed and garrisoned. For a comprehensive presentation of the available personnel and an adequate representation of the relative level of militarization, a second indicator in this category takes into account the percentage of reserve forces in the total population. This factor is relevant for some countries that have a comparably small standing army but a more substantial amount of available reserves within society. The third indicator compares the total amount of military and paramilitary forces with the number of physicians in a country in order to express the relation between military and non-military expertise in a society. All data on military personnel was compiled from the "*Military Balance*", the yearbook published by the *Institute for Strategic and International Studies* (*IISS*). Population size figures were taken from the UN's "*Vital Statistics Report*"; data on the number of physicians from WHO.

Finally, to determine the level of militarization of a country, which does not only consist of resources and personnel, specific types of heavy weapons have to be taken into account. This is why the GMI, as its third category takes into consideration the number of an armed forces' heavy weapons in relation to the total population. Heavy weapons are defined here as any piece of military equipment which fits into either one of four categories:

- Armoured vehicles (armoured personnel carriers, light tanks, main battle tanks);
- Artillery (multiple rocket launchers, self-propelled artillery, towed artillery) above 100mm calibre;
- Combat aircraft (attack helicopters, fixed-wing fighter aircraft); and
- Major fighting ships (submarines, major surface combatants above corvette size).

Data on weapons holdings was collected by BICC from different sources, mainly the "*Military Balance*" from ISS. Data on *Small Arms and Light Weapons* (*SALW*) is not only extremely difficult to obtain but also unreliable and was thus not included in the GMI.

In order to increase the compatibility between different indicators and preventing extreme values from crating distortions when normalizing data, in a first step every indicator was represented in a logarithm with the factor 10. Second, all data was normalized using the formula x=(y-min) / (max-min), with min and max representing, respectively, the lowest and the highest value of the logarithm. In a third step, every indicator was weighted in accordance to a subjective factor, reflecting the relative importance attributed to it by BICC researchers. In order to calculate the final score, the weighted indicators were added together and then normalized one last time on a scale ranging from 0 to 1,000. For better comparison of individual years, all years were finally normalized.

The Methodology of the Global Militarisation Index		
Category	**Indicator**	**GMI Weighing Factor**
Expenditure	Military expenditures as percentage of the GDP	5
	Military expenditures in relation to health spending	3
Personnel	Military and paramilitary personnel in relation to population	4
	Military reserves in relation to population	2
	Military and paramilitary personnel in relation to physicians	2
Weapons	Heavy weapons in relation to population	4

Generally, the GMI provides further detailed analyses of specific regional or national developments. BICC's aim is to contribute towards the debate on militarization and to highlight the often inconsistent distribution of resources. The initial results of the GMI show clear regional differences. The Middle East is probably the most highly militarized region in the world. Five of the ten countries with the world's highest level of militarization are to be found there. This indicates the outstanding position of the military apparatus compared with the rest of society. An assessment of the situation requires the specific consideration and analysis of individual countries and regions – and the GMI is an appropriate tool for evaluating the development orientation of states, as well as regional developments [16].

B. Global Militarisation Index

According to the GMI, from 1990 until 2009, the 10 most militarized countries in the world were [17]:

Global Militarisation Index: Top 10 – Overview 1990 to 2009						
Rate	**Country**	**Value 1990**	**Country**	**Value 2000**	**Country**	**Value 2009**
1	Israel	929	Eritrea	1000	Israel	865
2	Singapore	880	Israel	886	Singapore	843
3	**Cyprus**	**858**	Singapore	856	Syria	796
4	Kuwait	850	Syria	836	Jordan	779
5	Syria	844	**Cyprus**	**803**	Russia	777
6	Bulgaria	841	Jordan	801	Korea	748
7	Albania	838	Russia	795	**Cyprus**	**738**
8	Vietnam	829	Bulgaria	786	Greece	736
9	Nicaragua	816	Croatia	783	Kuwait	736
10	Greece	794	Greece	781	Belarus	731

Despite the constant reduction of its ranking in the GMI – as this was observed by falling from the 3rd place in 1990 to the 5th place in 2000 and then to the 7th place in 2009 – the Republic of Cyprus still remains at the Top-10 list of the most militarized countries in the world. Cyprus occupies the 9th place in 2013 and the 6th place in 2014.

In its report for 2011, BICC notes that the unresolved conflict in Cyprus is reflected in its constantly high level of militarization. However, is highlighted that since reunification in 1991, Germany's level of militarization has decreased more or less constantly from position 36 to position 86 in 2007. In 2009, with position 81 in the GMI, its militarization remained on an average level [18].

Similarly, in its reports for 2013 and 2014, BICC notes that the Republic of Cyprus is the only EU member state within the 10 most militarized countries in the world and its regular place in the top set is due primarily to the conflict between the island's Greek and Turkish population groups, which has continued unresolved for decades [19].

In more detail, the 10 most militarized countries in the world in 2013 were [20]:

Global Militarisation Index 2013: The Top 10				
Ranking & Country	**Military Expenditure Index Score**	**Military Personnel Index Score**	**Heavy Weapons Index Score**	**Global Militarisation Index Score**
1. Israel	4.69	6.27	3.65	794
2. Singapore	4.22	6.48	3.29	752
3. Russia	4.41	5.93	3.32	729
4. Armenia	4.44	6.18	2.97	724
5. Syria	4.47	5.67	3.30	714
6. Jordan	4.28	5.66	3.22	694
7. South Korea	3.84	6.14	2.94	679
8. Azerbaijan	4.47	5.55	2.83	673
9. Cyprus	**3.60**	**5.82**	**3.32**	**667**
10. Kuwait	4.45	5.12	3.18	666

In 2014, the 10 most militarized countries in the world were [21]:

Global Militarisation Index 2014: The Top 10				
Ranking & Country	**Military Expenditure Index Score**	**Military Personnel Index Score**	**Heavy Weapons Index Score**	**Global Militarisation Index Score**
1. Israel	4.9	5.2	3.7	836.1
2. Singapore	4.7	5.3	3.3	801.0
3. Armenia	4.9	5.1	3.0	783.0
4. Syria	4.9	4.6	3.3	773.6
5. Russia	4.8	4.5	3.3	761.0
6. Cyprus	**4.4**	**4.9**	**3.3**	**757.1**
7. South Korea	4.5	5.1	2.9	756.7
8. Jordan	4.6	4.7	3.2	748.7
9. Greece	4.4	4.7	3.2	746.8
10. Azerbaijan	4.9	4.7	2.8	746.2

Overall, from 1990 to 2014, the Republic of Cyprus is ranked as follows in the GMI [22]:

Global Militarisation Index: Cyprus, 1990-2014					
Year	**Military Expenditure Index Score**	**Military Personnel Index Score**	**Heavy Weapons Index Score**	**Global Militarisation Index Score**	**Ranking**
1990	5.29	6.07	3.18	788.3	**5**
1991	5.26	6.23	3.16	796.39	**7**
1992	5.43	6.3	3.28	820.95	**5**
1993	4.66	6.3	3.32	771.47	**11**
1994	4.6	6.32	3.27	764.65	**11**
1995	4.29	6.32	3.22	739.94	**10**
1996	4.68	6.23	3.38	771.84	**7**
1997	4.98	6.07	3.42	783.89	**5**
1998	4.8	6.06	3.41	770	**6**
1999	4.31	6.07	3.41	737.32	**11**
2000	4.44	5.9	3.4	734.57	**9**
2001	4.6	5.89	3.41	745.17	**7**
2002	4.12	5.91	3.35	709.6	**14**
2003	3.83	5.9	3.38	691.03	**15**
2004	3.75	5.89	3.37	683.81	**13**
2005	3.78	5.88	3.37	685.91	**12**
2006	3.72	5.86	3.36	679.63	**14**
2007	3.53	5.85	3.36	666.08	**12**
2008	3.38	5.82	3.35	652.61	**15**
2009	3.52	5.77	3.33	657.92	**14**
2010	3.58	5.76	3.33	660.78	**12**
2011	3.57	5.83	3.33	665.1	**10**
2012	3.6	5.83	3.33	666.67	**9**
2013	3.6	5.82	3.32	667	**9**
2014	4.4	4.9	3.3	757.1	**6**

"**Militarism**: A state of affairs where war, and the use or threat of military force, are accorded the highest priority by the state in the pursuit of its political ends. Alternatively, a situation where military values (patriotism, unity, hierarchy, discipline) come to permeate civil society. In practice the two usages overlap".

Oxford Concise Dictionary of Politics [23]

"**Militarism**: The term militarism can be used in two ways. First, it refers to the achievement of ends by the use of military force. Any attempt to solve problems by military means can be described as militarism in this sense. Second, and more commonly, militarism is a cultural and ideological phenomenon in which military priorities, ideals and values come to pervade the larger society. This typically includes the glorification of the armed forces, a heightened sense of national patriotism, the recognition of war as a legitimate instrument of policy, and an atavistic belief in heroism and self-sacrifice".

Palgrave Key Concepts in Politics [24]

5. Arms, Debt and Corruption: Military Spending and the Financial Crisis

Five years into the financial and economic crisis in Cyprus, and there is still an elephant in Nicosia that few are talking about. The elephant is the role of military spending in causing and perpetuating the economic crisis. As social infrastructure is being slashed, spending on weapon systems is hardly being reduced. While pensions and wages have been cut, the arms industry continues to profit from new orders, as well as outstanding debts.

Perversely, the voices that are protesting the loudest in Nicosia are the siren calls of nationalist politicians and military lobbyists, warning of a "disaster" in the case that any further cuts are made to military spending. This report shows that the real disaster has emerged from years of high military spending and corrupt arms deals. This dynamic contributed substantially to the debt crisis and continues to weigh heavy on future budgets. The power of the military-industrial lobby also makes any effective cuts less likely. This is perhaps most starkly shown in how the governments of the richest EU member states, while demanding ever higher sacrifices in social cuts, have been saying nothing and actually have been lobbying behind the scenes against military cuts because of concerns this would affect their own arms industry.

This report reveals how:

- High levels of military spending in a country that is now at the epicentre of the Eurozone financial crisis played a significant role in causing its debt crisis. Although Cyprus is considered to be the most recent casualty of the financial crisis within the Eurozone, it owes some of its debt troubles to a 50% increase in military spending over the past decade, the majority of which came after 2004.
- The debts caused by arms sales were often a result of corrupt deals between government officials, but are being paid for by ordinary people facing savage cuts in social services.
- Military spending has been reduced as the country has been severely affected by the crisis, but the Republic of a Cyprus still has military spending levels comparable to or higher than ten years ago.
- When military spending cuts actually take place, there are cuts almost entirely on people – reductions in personnel, lower wages and pensions – rather than on arms purchases.
- While the richest countries within the Eurozone have insisted on the harshest cuts of social budgets by crisis countries to pay back debts, they have been much less supportive of cuts in military spending that would threaten arms sales.
- Continued high military spending has led to a boom in arms companies' profits and a further militarisation of our daily lives, while an even more aggressive push of arms sales is ignoring concerns on safeguarding human rights and reunifying the island.
- Investment in the military is the least effective way to create jobs, regardless of the other costs of military spending. At a time of desperate need for investment in job creation, supporting a bloated and wasteful military cannot be justified given how many more real-time jobs such money would create in areas such as public health, education and transport.

Despite the clear evidence of the cost of high military spending, nationalist politicians and military lobbyists continue to push a distorted and preposterous notion that defence cuts threaten the security of the country.

We believe by contrast, that at a time when the EU and Cyprus' agenda of permanent austerity faces ever-growing challenges, there is one area where both Europe and Cyprus could do much more to impose austerity. And that is the arena of military spending and the arms industry. A permanent reduction of military spending until the final dismantling of all armies based on the island, would save many more millions. Writing off dirty debts caused by arms deals concluded through bribes, would be a good first step to lay the bill for the crisis with those who helped cause it. Such measures would also prove that at a time of crisis, Cyprus prepared to invest in a future desired by its people, rather than its warmongers [25].

6. We Are Not Surrendering Our Lives to Any Master of Capital and War

Due to its strategic position and natural resources, Cyprus has been for decades in the eye of the storm. The competition for domination and exploitation in the region of Eastern Mediterranean and the Middle East has driven to numerous wars and conflicts. The authoritarian and totalitarian post-colonial regimes that were formed

do not represent the interests of the people. We are in solidarity with every movement fighting towards social liberation and political emancipation from local and foreign sovereignty.

Cyprus is one of the most militarized areas on the planet. Those of us who live here, trapped for decades in a nationalist conflict, have allowed the power elites to exercise their authority and implement their interests in the broader area without any serious resistance. It is vital that the hegemony of nationalism and militarism breaks. We will be actively present in any effort to dismantle it [26].

In our view, militarisation not only strengthens nationalist ideologies and safeguards the division of the island, but also inevitably leads to more institutional discrimination and reinforces racism, sexism and patriarchy. In this – both literally and figuratively – barbed wire of power relations, militarisation supports arms trade and increases military expenditures. At the same time, in an era of a global capitalist crisis, the '*public debt*' and '*national deficit*' are growing, whilst wages and pensions are being cut, and public expenditures on vital sectors, such as social welfare and environmental protection, are constantly reduced.

We consider these developments as a huge and continuous failure of the people of Cyprus, who adopted the nationalist narrative and militarist beliefs. By doing that, we were all pushed more and more into a long-term inter-communal conflict and consequently we accepted the status quo that was imposed by nationalist and imperialist forces. We have to understand that the ethnic – religious conflict and the geographical division are the perfect excuses for the rulers to maintain the same peculiar and extended '*state of exception*'. This authoritarian and oppressive regime tries to expand its power and extend its dominance to every aspect of our daily lives. Simply invoking this '*state of exception*' is enough to suspend our labour, social, political and environmental rights, as well as suppress class struggles and mobilizations of all insubordinate parts of the society, particularly those from the lower classes and marginal groups. In this extra-ordinary but long-established '*state of emergency*', it is not only our rights that are being violated and ours freedoms that are neglected, but even the provisions of the '*constitutional legitimacy*' and the principles of the '*rule of law*' of the so-called '*liberal democracy*' are suspended.

We firmly believe that the time has come for the people in Cyprus to join forces, mobilize and resist to the dominant nationalist ideologies, the escalating militarisation of our lives, the increasing military expenditure and the rise of far-right political parties. We are against all nationalist and imperialist armies, post-colonial military forces and alliances, as well as states' repressing mechanisms and authoritarian institutions. Nobody should be a soldier of power elites, never and nowhere; thus, we are not surrendering our lives to any master of capital and war [27].

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